

VERNON PARISH SHERIFF  
Leesville, Louisiana

Financial Statements  
With Independent Auditor's Reports  
As of and for the Year Ended June 30, 2001  
With Supplemental Information Schedules

VERNON PARISH SHERIFF  
Leesville, Louisiana

Financial Statements  
With Independent Auditor's Reports  
As of and for the Year Ended June 30, 2011  
With Supplemental Information Schedules

C O N T E N T S

	<u>Statement</u>	<u>Page No.</u>
Independent Auditor's Report		1
Financial Statements:		
Combined Balance Sheet - All Fund Types and Account Groups	A	3
Governmental Fund Types:		
Statement of Revenues, Expenditures, and Changes in Fund Balances	B	5
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual - Governmental Fund Type - General Fund	C	7
Proprietary Fund Type - Enterprise Fund:		
Statement of Revenues, Expenses, and Changes in Retained Earnings	D	9
Statement of Cash Flows	E	10
Notes to the Financial Statements		11
	<u>Schedule</u>	<u>Page No.</u>
Supplemental Information Schedules:		
Fiduciary Fund Type - Agency Funds:		
Combining Balance Sheet	1	23
Combining Schedule of Changes in Unsettled Balances	2	24
Schedule of Collections, Distributions, and Unsettled Balances - Tax Collector Agency Fund	3	25

VERNON PARISH SHERIFF  
Leesville, Louisiana  
For the Year Ended June 30, 2001

C O N T E N T S

Page No.

Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	27
Management Letter	29

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**Independent Auditor's Report**

**VERNON PARISH SHERIFF**  
Leesville, Louisiana

I have audited the financial statements of the Vernon Parish Sheriff as of June 30, 2001, and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Vernon Parish Sheriff at June 30, 2001, and the results of operations and changes in cash flows for the year then ended, in conformity with generally accepted accounting principles.

The sheriff is a defendant in several lawsuits that are in various stages of resolution and their ultimate outcome cannot presently be determined. Accordingly, no provision for any liability that may result has been made in the accompanying financial statements.

In accordance with Government Auditing Standards, I have also issued a report dated December 12, 2001, on my consideration of internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

VERNON PARISH SHERIFF  
Lafayette, Louisiana  
Audit Report, June 30, 2001

My audit was made for the purpose of forming an opinion on the financial statements. The accompanying supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the financial statements of the Vernon Parish Sheriff. Such information has been subjected to the procedures applied in the audit of the financial statements and, in my opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Herbie W. Way*

Herbie W. Way  
Alexandria, Louisiana  
December 12, 2001

VERNON PARISH SHERIFF  
Leesville, Louisiana

COMBINED FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED June 30, 2001

VERNON PARISH SHERIFF  
 Leesville, Louisiana  
 ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet, June 30, 2001

	GOVERNMENTAL FUND TYPE			
	GENERAL FUND	DEBT SERVICE FUND	FIDUCIARY FUND TYPE - AGENCY FUNDS	PROPRIETARY FUND TYPE - ENTERPRISE FUND
ASSETS AND OTHER DEBITS				
ASSETS:				
Cash and cash equivalents	\$103,609	\$207,390	\$776,324	\$16,800
Receivables	291,717			
Inventory	5,042			20,823
Land, buildings, and equipment				
Other debits:				
Amount available in debt service fund				
Amount to be provided for retirement of general long-term debt				
TOTAL ASSETS AND OTHER DEBITS	\$400,368	\$207,390	\$776,324	\$37,623
LIABILITIES, EQUITY AND OTHER CREDITS				
LIABILITIES:				
Accounts payable	\$208,934			
Deferred revenues	38,324			
Due to taxing bodies and others			\$776,324	
Bank loans payable				
Certificates of indebtedness				
Lease/purchases payable				
Total Liabilities	244,858	NONE	776,324	NONE
Fund Equity:				
Other credits - investment in general fixed assets				
Retained earnings				\$37,623
Fund balance (deficit):				
Reserved for inventory	5,042			
Reserved for debt service		\$207,390		
Unreserved - undesignated	150,368			
Total Fund Equity	155,410	207,390	NONE	37,623
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$400,268	\$207,390	\$776,324	\$37,623

The accompanying notes are an integral part of this statement.

ACCOUNT GROUPS		
GENERAL PLEDS ASSETS	GENERAL LONG-TERM DEBT	TOTAL (MEMORANDUM ONLY)
		\$1,104,834
		291,717
		25,865
\$3,483,783		3,485,783
	\$207,393	207,393
	757,296	757,296
<u>\$3,483,783</u>	<u>\$964,689</u>	<u>\$5,870,690</u>
		\$206,834
		38,324
		776,324
	\$200,000	
	62,025	62,025
	65,864	65,864
	NONE	1,985,872
\$3,483,783		3,485,783
		37,631
		5,042
		207,393
		150,368
<u>\$3,483,783</u>	<u>NONE</u>	<u>\$3,884,219</u>
<u>\$3,483,783</u>	<u>\$964,689</u>	<u>\$5,870,690</u>



VERNON PARISH SHERIFF  
 Leesville, Louisiana  
 GOVERNMENTAL FUND TYPE

Statement of Revenues, Expenditures, and Changes in Fund Balance  
 For the Year Ended June 30, 2001

	GENERAL FUND	SERVICES FUND	TOTAL (INDETERMINATE ONLY)
REVENUES			
-----			
ad valorem taxes	1,433,022		\$1,433,022
Intergovernmental revenues:			
Local grants	35,526		35,526
Federal grants	120,275		120,275
State grants	422,510		422,510
Fees, charges, and commissions for services	3,360,891		3,360,891
Use of money and property	14,455		14,455
Total revenues	5,486,778	9082	5,426,778
-----			
EXPENDITURES			
-----			
Public safety:			
Current:	3,708,474		3,708,474
Personal services	877,879		877,879
Operating services	720,565		720,565
Materials and supplies	359,453		359,453
Travel and other charges			
Debt service:	796,145	333,501	1,129,646
Principal	19,931	87,455	107,386
Interest and bank charges	66,288		66,288
Capital outlay	6,147,620	384,996	6,532,616
Total expenditures			
-----			
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(720,742)	(384,996)	(1,105,738)
-----			
OTHER FINANCING SOURCES (USES)			
-----			
Operating transfers in	(385,641)	385,641	385,641
Operating transfers out	990,000		990,000
Proceeds from bank loan	1,488		1,488
Sale of assets	51,042		51,042
Increase in capital leases			
Total Other Financing Sources (Uses)	607,000	385,641	1,002,641
-----			

(Continued)

The accompanying notes are an integral part of this statement.

VERNON PARISH SHERIFF  
 Leesville, Louisiana  
 GOVERNMENTAL FUND TYPE

Statement of Revenues, Expenditures, and Changes in Fund Balance  
 For the Year Ended June 30, 2001

	GENERAL FUND	DEBT SERVICE FUND	TOTAL (MEMORANDUM ONLY)
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	(833,722)	\$10,646	(\$833,077)
FUND BALANCE AT BEGINNING OF YEAR	264,090	196,740	460,830
INCREASE IN RESERVE FOR INVENTORIES	5,042	NONE	5,042
FUND BALANCE AT END OF YEAR	<u>\$135,411</u>	<u>\$207,386</u>	<u>\$342,804</u>

(Concluded)

The accompanying notes are an integral part of this statement.

VERNO PARISH SHERIFF  
 Leesville, Louisiana  
 GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures, and Changes Fund Balance  
 Budget (Actual) Basis and Actual  
 For the Year Ended June 30, 2021

	NON-BASF BUDGET	ACTUAL	ADJUSTMENTS	ACTUAL ON BUDGET BASIS	VARIANCE FUNDABLE (UNFUNDABLE)
<b>REVENUES</b>					
Ad valorem taxes	\$1,732,800	\$1,489,088		\$1,439,822	(\$289,478)
Intergovernmental revenues:					
Local grants	6,894	38,526		35,826	28,591
Federal grants	144,787	140,878		150,278	39,488
State grants	799,900	499,610		432,910	88,112
Total grants	951,581	679,314		619,014	368,995
Taxes, charges, and commissions for services	21,122	14,488		14,488	(6,634)
Use of money and property					
Total revenues	3,706,303	2,201,770	0.00	2,206,522	(1,504,581)
<b>EXPENDITURES</b>					
Public safety:					
Current:					
Personnel services	3,726,773	2,799,474		2,708,474	10,999
Contracting services	579,296	677,878		677,878	(107,483)
Materials and supplies	639,800	720,888		720,888	(58,788)
Travel and other charges	189,088	354,453	(\$5,042)	349,410	5,038
Sept. service	799,000	799,148		799,148	(3,148)
Principal	22,800	28,921		19,891	2,568
Interest and bank charges	24,800	66,066	(\$1,042)	18,941	9,465
Capital outlay					
Total expenditures	6,012,557	4,147,834	(\$6,084)	4,091,436	(1,779,397)
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>					
	(\$26,254)	(\$93,064)	\$6,084	(\$64,658)	(\$38,398)
<b>OTHER FINANCING SOURCES</b>					
Operating transfers out	(\$85,768)	(\$99,641)		(\$99,641)	89
Proceeds from bond loan	1,080,000	940,800		988,000	(100,800)
Sale of assets		1,042		1,042	1,042
Increase in capital leases		\$1,042	(\$1,042)		
Total other financing sources (used)	994,232	842,201	(\$1,042)	889,399	(\$88,321)

(Continued)

The accompanying notes are an integral part of this statement.

VERNO PARISH SHERIFF  
 LAKECHARLES, LOUISIANA  
 GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenue, Expenditures, and Changes Fund Balance  
 Budget (Non-GAAP) Data and Actual  
 For the Year Ended June 30, 2001

	NON-GAAP BUDGET	ACTUAL	ADJUSTMENTS	ACTUAL ON BUDGET BASIS	VARIANCE PAYABLE (UNFAVORABLE)
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$28,000	(\$119,722)	\$5,042	(\$128,679)	(\$128,679)
FUND BALANCE AT BEGINNING OF YEAR	284,000	284,000		284,000	
INCREASE (DECREASE) IN RESERVE FOR INVENTORIES	NONE	5,042	(\$5,042)		
FUND BALANCE AT END OF YEAR	\$282,000	\$155,411	NONE	\$155,411	(\$126,679)

(Concluded)

The accompanying notes are an integral part of this statement.

VERNON PARISH SHERIFF  
 Leesville, Louisiana  
 PROPRIETARY FUND TYPE - ENTERPRISE FUND

Statement of Revenues, Expenses, and Changes in Retained Earnings  
 For the Year Ended June 30, 2001

OPERATING REVENUES	
-----	
Sales to inmates and others	\$166,136
-----	
OPERATING EXPENSES	
-----	
Cost of items sold	166,667
Supplies and other expenses	1,879
-----	
Total expenses	168,546
-----	
OPERATING INCOME	(2,410)
RETAINED EARNINGS AT BEGINNING OF YEAR	40,721
-----	
RETAINED EARNINGS AT END OF YEAR	\$37,631
-----	

The accompanying notes are an integral part of this statement.

VERNON PARISH SHERIFF  
 Leesville, Louisiana  
 PROPRIETARY FUND TYPE - ENTERPRISE FUND

Statement of Cash Flows  
 For the Year Ended June 30, 2001

Cash flows from operating activities:	
Cash received from sales to customers	\$165,156
Cash disbursed for goods and services	(175,405)
Net increase (decrease) in cash and cash equivalents	(\$10,249)
Cash and Cash Equivalents at Beginning of Year	27,057
Cash and Cash Equivalents at End of Year	<u>\$16,808</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating income	(\$8,090)
Adjustments to reconcile operating income to net cash provided by operating activities	
Increase in inventory	(7,159)
Net Cash Provided (Used) By Operating Activities	<u>(\$10,249)</u>

The accompanying notes are an integral part of this statement.

**VERNON PARISH SHERIFF**  
**Leesville, Louisiana**

Notes to the Financial Statements  
At June 30, 2001 and for the Year Then Ended

**INTRODUCTION**

As provided by Article V, Section 27, of the Louisiana Constitution of 1974, the sheriff serves a four-year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The sheriff administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, and serving subpoenas.

As the chief law enforcement officer of the parish, the sheriff has the responsibility for enforcing state and local laws and ordinances within the territorial boundaries of the parish. The sheriff provides protection to the residents of the parish through on-site patrols and investigations and serves the residents of the parish through the establishment of neighborhood watch programs, anti-drug programs, et cetera. In addition, when requested, the sheriff provides assistance to other law enforcement agencies within the parish.

As ex-officio parish tax collector of the parish, the sheriff is responsible for collecting and distributing ad valorem property taxes, parish occupational licenses, state revenue sharing funds, sporting licenses, and fines, costs, and bond forfeitures imposed by the district courts.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. REPORTING ENTITY**

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Because the sheriff is an independently elected official (governing body) and is legally separate and is fiscally independent, the sheriff is a separate governmental reporting entity. The sheriff includes all funds, account groups, activities, et cetera, that are within its oversight responsibility.

Certain units of local governments over which the sheriff exercises no oversight responsibility, such as the parish police jury, the parish school board, the parish clerk of court, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the sheriff.

**B. FUND ACCOUNTING**

The sheriff uses funds and account groups to report on financial position and the results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain governmental functions or activities.

**VERNON PARISH SHERIFF**  
Lumberville, Louisiana  
Notes to the Financial Statements  
(Continued)

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the sheriff are classified in three categories: governmental (General Fund), proprietary (enterprise) fund, and fiduciary (agency) funds. These funds are described as follows:

**General Fund**

The General Fund, as provided by Louisiana Revised Statute 33:1422, is the principal fund of the sheriff's office and accounts for the operations of the sheriff's office. The sheriff's primary source of revenue is an ad valorem tax levied by the law enforcement district. Other sources of revenue include commissions on state revenue sharing, state supplemental pay for deputies, civil and criminal fees, et cetera. General operating expenditures are paid from this fund.

**Enterprise Fund**

The enterprise fund, operated similar to a business enterprise, is comprised of the inmate commissary fund which sells items to inmates. The enterprise fund is reported based on all applicable GASB pronouncements as well as all applicable Financial Accounting Principles Board (FASB) pronouncements issued after November 30, 1989.

**Agency Funds**

The agency funds are used as depositories for civil suits, cash bonds, taxes, fees, et cetera. Disbursements from these funds are made to various parish agencies, litigants in suits, et cetera, in the manner prescribed by law. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**D. BASIS OF ACCOUNTING**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The General Fund is accounted for using a flow of financial resources measurement focus. The accompanying financial statements have been prepared on the modified accrual basis of accounting. The General Fund uses the following practices in recording revenues and expenditures:



**VERNON PARISH SHERIFF**  
Lafayette, Louisiana  
Notes to the Financial Statements  
(Continued)

**Revenues**

Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.

Intergovernmental revenues and fees, charges, and commissions for services are recorded when the sheriff is entitled to the funds.

Interest income on time deposits is recorded when the time deposits have matured and the income is available.

Substantially all other revenues are recognized when received by the sheriff.

Based on the above criteria, ad valorem tax, the related state revenue sharing, intergovernmental revenues, and fees, charges, and commissions for services are treated as susceptible to accrual.

**EXPENDITURES**

Expenditures are recognized under the modified accrual basis of accounting when the related fund liability is incurred.

**OTHER FINANCING SOURCES (Uses)**

Proceeds from the sale of general fixed assets, insurance reimbursements on damaged property, etc., are accounted for as other financing sources and are recognized when received. Fixed assets acquired through capital leases, installment purchase contracts, etc., are recorded as expenditures and other financing uses at the time of acquisition.

**VERNON PARISH SHERIFF**  
Lafayette, Louisiana  
Notes to the Financial Statements  
(Continued)

**E. BUDGET PRACTICES**

A proposed budget is published in the official journal at least ten days prior to a public hearing. The public hearing is held at the sheriff's office during the month of June for comments from taxpayers. The proposed budget, prepared on the modified accrual basis of accounting, is adopted by the sheriff prior to June 30 of each year. The budgets are legally adopted, and amended as necessary, by the sheriff. All appropriations lapse at year end. Neither a system of double-entry accounting nor formal integration of the budget into the accounting system is employed as a management control device. However, periodic budgetary comparisons are made. Budget amounts included in the accompanying financial statements includes the final amended budget.

**F. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include amounts in petty cash, demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in income-producing items with original maturities of usually 90 days or less and nonnegotiable certificates of deposits. Under state law, the sheriff may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under the Louisiana law and national banks having their principal offices in Louisiana.

**G. INVENTORY**

Inventory of the General Fund consists of commodities received from the United States Department of Agriculture (USDA) through the Louisiana Department of Agriculture and Forestry, as provided by the Food Distribution Program (CFDA 10.050). Inventory items are valued at unit prices established by the USDA and are recorded as expenditures under the purchase method using the first-in, first out (FIFO) cost flow assumption. Reported inventory is equally offset by a reservation of fund balance which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

Inventory of the proprietary fund consists of purchased commissary items, including soft drinks, candy, tobacco products, etc. Purchased inventory items are valued in the gross profit basis using the first-in, first out (FIFO) cost flow assumption.

**H. FIXED ASSETS**

Fixed assets of governmental fund are recorded as expenditures at the time they are purchased, and the related assets are capitalized (reported) in the general fixed asset account group. Public domain or infrastructures, such as sidewalks and parking lots, are not capitalized. No depreciation has been provided on general fixed assets. Approximately 90 per cent of the fixed assets are valued at actual historical cost while the remaining 1 per cent are valued at estimated historical cost, based on historical cost of similar items.

**VERNON PARISH SHERIFF**  
 Leesville, Louisiana  
 Notes to the Financial Statements  
 (Continued)

**I. LONG-TERM DEBT**

Long-term debt expected to be financed from the General Fund is reported in the general long-term debt account group. Expenditures for principal and interest payments for long-term debt are recognized in the Debt Service Fund when due.

**J. COMPENSATED ABSENCES**

Full-time deputies of the sheriff's office, depending on length of service, earn from 5 to 20 days of vacation and sick leave each year. Vacation leave must be taken in the year earned; accumulated leave is not paid upon termination of employment. At June 30, 2001, there are no accumulated and vested benefits relating to vacation and sick leave that require disclosure or accrual to conform with generally accepted accounting principles.

**K. TOTAL COLUMN ON BALANCE SHEET**

The total column on the balance sheet is captioned Memorandum Only to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

**2. LEVIED TAXES**

The following is a summary of authorized and levied ad valorem taxes:

	Authorized	Levied	Expiration
	Millage	Millage	Date
Law Enforcement District	10.94	10.94	2002
Law Enforcement District	7.00	7.00	2010

**3. CASH AND CASH EQUIVALENTS**

At June 30, 2001, the sheriff has cash and cash equivalents (book balances) as follows:

Petty cash	\$2,400
Demand deposits	<u>1,381,634</u>
Total	<u>\$1,384,034</u>

**VERNON PARISH SHERIFF**  
 Leesville, Louisiana  
 Notes to the Financial Statements  
 (Continued)

Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the Federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are in the name of the governmental entity in the trust department of the fiscal agent bank. At June 30, 2001, the sheriff has \$1,218,888 in deposits (collected bank balances). These balances are secured from risk by \$264,763 of federal deposit insurance and \$954,225 of pledged securities held by the fiscal agent bank in its trust department.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the sheriff that the fiscal agent has failed to pay deposited funds upon demand.

**4. RECEIVABLES**

The receivables at June 30, 2001, are as follows:

<u>Class of Receivable</u>	General	Agency	Total
	Fund	Funds	
Ad valorem taxes	\$215		\$215
Fees, charges, and commissions for services	37,997		37,997
Civil and criminal fees	21,988		21,988
Feeding and housing of prisoners	232,492		232,492
Other	<u>226</u>		<u>226</u>
Total	<u>\$291,717</u>	<u>NONE</u>	<u>\$291,717</u>

**5. CHANGES IN FIXED ASSETS**

A summary of changes in general fixed assets follows:

	Land	Buildings	Equipment	Total
Beginning Balance	\$139,579	\$2,358,569	\$978,792	\$3,465,871
Additions			66,099	66,099
Deletions			<u>(40,376)</u>	<u>(40,376)</u>
Ending Balance	<u>\$139,579</u>	<u>\$2,358,569</u>	<u>\$991,644</u>	<u>\$3,482,783</u>

VERNON PARISH SHERIFF  
Lakeville, Louisiana  
Notes to the Financial Statements  
(Continued)

6. PENSION PLAN

Substantially all employees of the Vernon Parish Sheriff's office are members of the Louisiana Sheriff's Pension and Relief Fund (System), a multiple-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees.

All sheriffs and all deputies who are found to be physically fit, who earn at least \$400 per month, and who were between the ages of 18 and 50 at the time of original employment are required to participate in the System. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to a percentage of their final-average salary for each year of creditable service. The percentage factor to be used for each year of service is 2.8 per cent for each year if total service is at least 12 but less than 16 years, 2.75 per cent for each year if total service is at least 16 but less than 20 years, and 3 per cent for each year if total service is at least 20 years. In any case, the retirement benefit cannot exceed 100 per cent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination as indicated previously. Employees who terminate with at least 20 years of credited service are also eligible to elect early retirement benefits between ages 60 and 65 with reduced benefits equal to the actuarial equivalent of the benefits to which they would otherwise be entitled at age 55. The System also provides death and disability benefits. Benefits are established by state statute.

Members are required by state statute to contribute 6.00 percent of their annual covered salary and the employer is required to contribute at an actuarially determined rate. The current rate is 9.75 percent of annual covered payroll. Contributions to the System include one-half of one per cent of the taxes shown to be collectible by the tax rolls of each parish and a direct appropriation from the State of Louisiana. The contribution requirements of plan members and the employers are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation of the prior fiscal year. The employer contributions to the System for the years ending June 30, 2001, 2000, and 1999, were \$139,800, \$117,645, and \$108,707, respectively, equal to the required employer's contributions for each year.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Sheriff's Pension and Relief Fund, Post Office Box 9163, Monroe, LA 71220, or by calling (337) 362-9191.

VERNON PARISH SHERIFF  
Leesville, Louisiana  
Notes to the Financial Statements  
(Continued)

7. CHANGES IN AGENCY FUND BALANCES

A summary of changes in agency fund balances due to taxing bodies and others follows:  
Agency Funds

	Sheriff's	Tax Collector	Income	Total
Balance at June 30, 1998	\$44,775	\$64,381	\$8,352	\$874,454
Additions	2,657,323	9,426,714	\$77,100	12,218,127
Deductions	<u>(2,408,411)</u>	<u>(9,868,983)</u>	<u>(102,883)</u>	<u>(12,480,284)</u>
Balance at June 30, 2001	<u>\$613,687</u>	<u>\$112,112</u>	<u>\$49,549</u>	<u>\$776,348</u>

8. TAXES PAID UNDER PROTEST

Louisiana Revised Statute 47:1576 provides that taxpayers, at the time of payment of all taxes due, give notice to the tax collector of their intention to file suit for recovery of all or a portion of the total taxes paid. Upon receipt of this notice, the amount paid is segregated and held by the tax collector for a period of 30 days. If suit is filed within the 30-day period for recovery of such amounts, the funds are held pending outcome of the suit. If the taxpayer prevails, the tax collector refunds the amount due, with interest at the rate of 2 per cent per annum from the date the funds were received by the tax collector. The following is a summary of changes in the taxes paid under protest as recorded in the tax Collector Agency Funds:

Balance, June 30, 2000	\$289,987
Additions:	
Taxes	88,180
Interest	3,893
Settlements to taxing bodies and others	<u>(292,941)</u>
Balance, June 30, 2001	<u>\$89,119</u>

VERNON PARISH SHERIFF  
 Leesville, Louisiana  
 Notes to the Financial Statements  
 (Continued)

9. CHANGES IN GENERAL LONG-TERM DEBT

The following is a summary of general long-term debt transactions during the year:

	Bank Loan	Certificates of Indebtedness	Installment Purchases	Total
Balance at June 30, 2000		\$1,047,945	\$50,768	\$ 1,100,653
Additions	\$200,000		\$1,942	\$1,942
Deductions		(427,331)	(46,143)	(473,474)
Balance at June 30, 2001	<u>\$200,000</u>	<u>\$ 720,314</u>	<u>\$ 55,567</u>	<u>\$ 985,881</u>

The \$200,000 Excess Revenue Bank Loan dated November 30, 2001, is payable in a single installment due on April 21, 2002, and bears an interest of 5 per cent per annum. Principal and interest payments are to be made from the General Fund.

The \$2,600,000 Excess Revenue Certificates of Indebtedness dated December 31, 1992, is payable in installments through December 31, 2002, and bears an interest rate of 6 per cent per annum. Principal and interest payments are made from the Debt Service Fund.

The annual requirements to amortize the outstanding certificates of indebtedness, including interest of \$47,558, is as follows:

Year Ending June 30

2002	\$384,304
2003	<u>383,568</u>
Total	767,872
Less amount representing interest	<u>(47,558)</u>
Net present value of principal payments	<u>\$720,314</u>

**VERNON PARISH SHERIFF**  
 Leesville, Louisiana  
 Notes to the Financial Statements  
 (Continued)

The following schedule presents a summary of the capital lease commitments as of June 30, 2001:

	Present Value of Minimum Lease Payments	Interest	Total Minimum Lease Payments
Total	<u>\$65,667</u>	<u>\$3,365</u>	<u>\$69,032</u>

The following is a schedule of the future minimum capital lease payments, together with the present value of the net minimum lease payments:

<u>Year Ended June 30</u>	
2002	\$40,387
2003	<u>28,645</u>
Total minimum lease payments	69,032
Less - amount representing interest	<u>(3,365)</u>
Present value of net minimum lease payments	<u>\$65,667</u>

**10. RISK MANAGEMENT**

The sheriff's office is exposed to various risks related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Louisiana law provides that the sheriff may join with other sheriffs to form an interlocal risk management agency for the development and administration of an interlocal risk management program. The Vernon Parish Sheriff has joined together with other sheriffs to form the Louisiana Sheriff's Risk Management Program, a public entity risk pool currently operating as a common risk management and insurance program for Louisiana sheriffs. The sheriff pays an annual premium to the pool for its general and professional liability insurance coverage.

The agreement for formation of the Louisiana Sheriff's Risk Management Program, administered by the Louisiana Sheriff's Association, provides for the pool to be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$5,000,000 for each insured event. The sheriff estimates the range of contingent losses, if any, to be borne by the government will not exceed the available insurance coverage.



**VERNON PARISH SHERIFF**  
Leesville, Louisiana  
Notes to the Financial Statements  
(Continued)

The Louisiana Sheriff's Risk Management Program has published its own financial report which can be obtained from the Louisiana Sheriff's Association, 1175 Nicholson Drive, Baton Rouge, LA 70804.

In addition to the above, the sheriff has obtained commercial insurance for all the aforementioned risks and settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**11. LITIGATION AND CLAIMS**

At June 30, 2001, the sheriff is involved in several lawsuits seeking damages in excess of \$660,000. Legal counsel for the sheriff has stated that an unfavorable outcome on any and/or all of these suits would not exceed the current liability insurance coverage acquired by the sheriff through commercial insurance.

VERNON PARISH SHERIFF  
Leesville, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULES

As of June 30, 2001, and for the Year Then Ended

FIDUCIARY FUND TYPE - AGENCY FUNDS

**SHERIFF'S FUND** -- accounts for funds held in civil suits, sheriff's sales, and garnishments. It also accounts for collection of bonds, fines, and costs and payment of these collections to the recipients in accordance with applicable laws. The Sheriff's Fund is comprised of the Civil, Bond, Fines and Costs Funds, and the Probation Fund of the sheriff.

**TAX COLLECTOR FUND** -- Article V, Section 27 of the Louisiana Constitution of 1974 provides that the sheriff will serve as the collector of state and parish taxes and fees. The Tax Collector fund accounts for the collection and distribution of these taxes and fees to the appropriate taxing bodies.

**INNATE FUND** -- accounts for money deposited by various prison inmates while incarcerated by the sheriff. Withdrawals are made for purchases by the inmates. Remaining balances to the credit of a prisoner are refunded upon release or transfer to another prison.

BERSON PARISH SHERIFF  
 Leesville, Louisiana  
 FIDUCIARY FUND TYPE - AGENCY FUNDS  
 Combining Balance Sheet, June 30, 2005

	SHERIFF'S FUND	TAX COLLECTOR FUND	INMATE FUND	TOTALS
	*****	*****	*****	*****
ASSETS				
-----				
Cash and cash equivalents	\$613,683	\$113,113	\$49,548	\$776,324
	-----	-----	-----	-----
LIABILITIES				
-----				
Due to taxing bodies and others	\$613,683	\$113,113	\$49,548	\$776,324
	-----	-----	-----	-----

BERNARD PARISH SHERIFF  
Lafayette, Louisiana  
FIDUCIARY FUND TYPE - AGENCY FUNDS

Combining Schedule of Changes in Unsettled Balances  
For the Year Ended June 30, 2003

	SHERIFF'S FUNDS	TAX COLLECTOR FUNDS	INMATE FUNDS	TOTALS
UNSETTLED BALANCES AT BEGINNING OF YEAR	\$414,773	\$854,382	\$5,301	\$1,274,453
ADDITIONS				
Deposits:				
Sheriff's sales				
Bonds	58,833			58,833
Advance deposits (suits)	757,458			757,458
Fines and costs	1,774,521			1,774,521
Prison inmates			177,106	177,106
Other deposits	16,493		3	16,496
Taxes, fees, etc., paid to tax collector		9,425,714		9,425,714
Total additions	2,607,305	9,425,714	177,110	12,210,129
Total	3,022,078	9,980,096	182,411	13,184,579
REDUCTIONS				
Taxes, fees, etc., distributed to taxing bodies and others		9,866,983		9,866,983
Deposits settled to:				
Sheriff's General Fund	427,093		76,049	503,141
Police Jury	261,036			261,036
District attorney	286,311			286,311
Clerk of court	111,038			111,038
Indigent Defender Board	226,948			226,948
Attorneys, appraisers, etc.	8,783			8,783
Other settlements	742,977			742,977
Withdrawals by/for inmates			56,813	56,813
Other reductions				
Total reductions	2,408,413	9,866,983	132,862	12,408,258
UNSETTLED BALANCES AT END OF YEAR -				
DUE TO TAXING BODIES AND OTHERS	\$613,665	\$113,113	\$49,549	\$776,327

VERNON PARISH SHERIFF  
 Leesville, Louisiana  
 TAX COLLECTOR AGENCY FUND

Statement of Collections, Distributions, and Unsettled Balances  
 For the Year Ended June 30, 2001

UNSETTLED BALANCES, JULY 1, 2000	1994,382
-----	-----
<b>COLLECTIONS</b>	
-----	
Ad valorem taxes	8,151,008
State revenue sharing	1,018,950
Sporting licenses	7,388
Interest on:	
Delinquent taxes	5,447
Demand deposits	15,732
Protest taxes	1,893
Parish licenses	168,000
Tax notices, etc.	77,594
	-----
Total collections	9,428,714
	-----
Total	9,980,396
	-----
<b>DISTRIBUTIONS</b>	
-----	
Louisiana Department of:	
Wildlife and Fisheries	7,506
Agriculture and Forestry	39,564
Louisiana Tax Commission	14,752
Vernon Parish:	
Police Jury	3,265,578
School Board	6,000,473
Assessor	2,000,000
Law Enforcement District	1,748,007
West Vernon Water District	98,567
South Vernon Water District	70,228
Pension funds	253,000
Refunds, etc.	548,177
	-----
Total distributions	9,868,983
	-----
UNSETTLED BALANCES AT JUNE 30, 2001.	
-----	
DUE TO TAXING BODIES AND OTHERS	8113,113
-----	-----

OTHER REPORTS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS

The following pages contain reports on internal control structure and compliance with laws and regulations required by Government Auditing Standards, issued by the Comptroller General of the United States. The reports are based solely on the audit of the financial statements.

**HERBIE W. WAY**  
**CERTIFIED PUBLIC ACCOUNTANT**

55 Terra Avenue  
Alexandria, LA 71303  
318/442-7568  
Fax: 318/442-9495

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

**VERNON PARISH SHERIFF**  
Lumberville, Louisiana

I have audited the financial statements of the Vernon Parish Sheriff as of and for the year ended June 30, 2001, and have issued my report thereon dated December 12, 2001. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

However, I noted a certain immaterial instance of noncompliance that I have reported to management of the Vernon Parish Sheriff in a separate letter dated December 12, 2001.

**Internal Control Over Financial Reporting**

In planning and performing my audit, I considered the internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

Vernon Parish Sheriff  
Leesville, Louisiana  
Compliance and Internal Control Report  
(Continued)

*Prior Year Audit Findings*

The audit for the year ended June 30, 2000, disclosed no instances of noncompliance that were required to be reported under Government Auditing Standards or matters involving the internal control over financial reporting and its operation that were considered to be material weaknesses.

*General*

This report is intended for the information of the audit committee, management, and state regulatory agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Harbia W. Way*

Harbia W. Way  
Alexandria, Louisiana  
December 12, 2001



**HERDIE W. WAY**  
**CERTIFIED PUBLIC ACCOUNTANT**

55 Terra Avenue  
Alexandria, LA 71303  
318/442-7868  
Fax: 318/442-9495

VERNON PARISH SHERIFF  
Lassville, Louisiana

In planning and performing my audit of the financial statements of the Vernon Parish Sheriff as and for the year ended June 30, 2001, I considered the internal control structure relating to compliance with laws and regulations, that could have a direct and material impact on the financial statements, to determine my auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide an opinion on compliance with those provisions.

However, during my audit I became aware of a certain matter that may be deemed noncompliance with State law. The memorandum that accompanies this letter summarizes my comments and suggestions regarding that matter. I previously reported on compliance with laws and regulations and on the internal control structure in my report dated December 12, 2001. This letter does not affect my report dated December 12, 2001, on the financial statements of the Vernon Parish Sheriff.

I will review the status of these comments during my next engagement. At your request and convenience, I will be pleased to discuss these matters in further detail, to perform any additional study of these matters, or to assist you in implementing any recommendations.

Sincerely,

*Herdie W. Way*

Herdie W. Way  
December 12, 2001

**VERNON PARISH SHERIFF**  
Leakeville, Louisiana  
Management Letter Point  
For the Year Ended June 30, 2001

**Reports** -- Louisiana Revised Statutes (LSA-R.S.) 42:283 through 42:288 requires each parish sheriff to furnish annually, within 30 days of the close of the fiscal year, a written itemized report showing the expenditures made by the sheriff's office to the governing authority and the clerk of court of their respective parish.

For the year ended June 30, 2001, the Vernon Parish Sheriff had not filed the aforementioned required itemized report with the parish governing authority and/or the parish clerk of court.

If it is determined that this is an instance of noncompliance, violators could be subjected to a fine of one-thousand dollars (\$1,000) or imprisoned for six months or both.

Reports required by the aforementioned Louisiana law should be filed in accordance with its provisions.

Management of the Vernon Parish Sheriff has provided assurances that, in the future, reports of expenditures will be filed in accordance with Louisiana law.